



REPÚBLICA DEL PERÚ
MINISTERIO DE ECONOMÍA Y FINANZAS
Dirección Nacional del Endeudamiento Público

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF PERU REGARDING THE
PREPAYMENT OF CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCIES**

The Government of the United States of America (the "United States") and the Government of the Republic of Peru ("Peru") agree as follows:

Article I

Preliminary Provisions

1. In order to implement the recommendations contained in the Agreement on the Debt Prepayment of the Republic of Peru, signed at Paris on May 23, 2007, by representatives of certain nations, including the United States, and agreed to by the representative of Peru, the United States and Peru, in accordance with the applicable domestic laws of the United States and Peru, agree to the early repayment ("prepayment") by Peru of certain debts owed to, guaranteed by, or insured by the United States and its Agencies, as provided for in this Agreement.

2. "Agencies" means the Export-Import Bank of the United States ("Ex-Im Bank"), the Department of Defense ("DOD"), the Commodity Credit Corporation ("CCC") of the United States, Department of Agriculture ("USDA"), and the Agency for International Development ("USAID").

Article II

Agreement For Prepayment

1. Peru agrees to make, and the United States and its Agencies agree to accept, prepayment of the debts of the Republic of Peru on the terms and conditions set forth below.

Article III

Debts To Be Prepaid

1. The debts of Peru subject to prepayment are: (i) 100% of the maturities of principal falling due between August 16, 2007 and December 31, 2015 under the Agreement Between the United States of America and the Republic of Peru Regarding the Consolidation and Rescheduling or Refinancing of Certain Debts Owed to, Guaranteed by, or Insured by the United States Government and its Agencies, dated August 30, 1993 (the "1993 Agreement")





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and under the Agreement Between the Government of the United States of America and the Government of the Republic of Peru Regarding the Rescheduling and Reorganization of Certain Debts Owed To or Guaranteed by the United States Government and Its Agencies, dated December 31, 1996 (the "1996 Agreement"), and not granted under Official Development Assistance conditions; and (ii) interest accruing on the maturities of principal identified in clause (i) up to October 1, 2007. These debts are listed in Annex 1. The United States and Peru agree that the maturities of principal and interest falling due on June 30, 2007 and August 15, 2007 under the 1993 Agreement and the 1996 Agreement are not part of this Agreement and are to be paid on the due dates therefore in accordance with the terms of the 1993 and 1996 Agreements.

Article IV

Terms Of The Prepayment

1. Peru will make the prepayment at par on October 1, 2007.
2. The prepayment shall be made in United States dollars and to the payment accounts that are specified in Annex 2.
3. On October 1, 2007, Peru will prepay to each agency the amounts set forth in Annex 1, with payments to be made to the accounts listed in Annex 2
 - (i) Principal in the aggregate amount of \$ 424,837,413.69.
 - (ii) Interest accruing on the Principal identified in clause (i) from the last applicable interest payment date under the 1993 and 1996 Agreements up to October 1, 2007 in the amount of \$ 6,837,131.34. These amounts are listed in Annex 1.

Article V

Conditions Of The Prepayment

1. As a condition of prepayment, Peru shall have paid in full all amounts due and payable under the 1993 and 1996 Agreements as of the date of the prepayment, together with interest which has accrued to the date of the prepayment on the Principal amount prepaid.
2. Peru also undertakes to pay all debt service due from Peru or its public sector, or guaranteed by Peru or its public sector, and not paid as of 23 May 2007 on consolidations, loans, credits, or pursuant to contracts or other financial arrangements payable on cash terms, extended or guaranteed by the United States or its agencies, and not covered by this Agreement. Peru commits to pay these maturities as soon as possible and in any case no later than October 1, 2007. Late interest shall be charged on these amounts.



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3. In the event that the prepayments identified in Article IV are not made on or before October 1, 2007, this Agreement shall be null and void.

Article VI

Communication Of The Agreement

The United States and Peru agree to provide a copy of this Agreement to the Chairman of the Paris Club upon request.

Article VII

Annex

Annexes 1 and 2 referred to in this Agreement form an integral part of this Agreement.

Article VIII

Entry Into Force

This Agreement shall enter into force upon signature.

Done at Lima, Peru, in duplicate, this 25th day of September, 2007.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT
OF
THE REPUBLIC OF PERU

BETTY ECHELE RÍOS
Minister of Economy and Finance
Director National of Public Debt



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Annex 1

Amounts to be Paid October 1, 2007

Ex-Im Bank

(R1095, R0226)

Principal: \$73,162,972.36

Interest Accrued to October 1: \$929,476.23

Total Payment for Ex-Im: \$74,092,448.59

DOD

(PE937D, PE958D, PE967D, PE976D, PE977D, PE978D, PE979D)

Principal: \$8,294,386.75

Interest Accrued to October 1: \$113,477.02

Total Payment for DOD: \$8,407,863.77

USDA

(93PEG, 97PEG, 97PEH)

Principal: \$235,494,052.26

Interest Accrued to October 1: \$4,111,385.18

Total Payment for USDA: \$239,605,437.44

USAID

(527HR005A01, 527HR009A01, 527HR010A01, 527HR013A01, 527HR014A01)

Principal: \$107,886,002.32

Interest Accrued to October 1: \$1,682,792.91

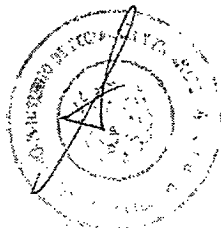
Total Payment for USAID: \$109,568,795.23

TOTAL USG

Total Principal: \$424,837,413.69

Total Interest: \$6,837,131.34

Total Payment: \$431,674,545.03





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Annex 2

Payment Instructions

For Ex-Im Bank, payments should be made by wire transfer to:
U.S. Treasury Department
021030004
TREAS NYC /CTR/
BNF=/AC-4984 OBI=
EXPORT-IMPORT BANK
DUE 01-OCT-07 ON EX-IM LOAN NO. R0195 & R0226
FROM PERU

For USDA, payments should be deposited with the Collection Division of the Federal Reserve Bank (FRB) of New York, for credit to the account of The Commodity Credit Corporation (CCC) - Symbol 8585. If payment is made by wire transfer, please use ABA # 021-030-004 and specify "TREASNYC/(8585)/CCC" - precisely as shown. Please advise the FRB to reflect country name (Peru), agreement date(s), and programs ("GSM 102 & GSM 5") on their certificate of deposit.

For DoD: Payment by wire transfer to the Defense Security Cooperation Agency through the Federal Reserve Bank of New York. The wire transfer must include the following payment instructions: 021030004 Payment Amount (in U.S. dollars) TREASURY NYC/(97000002)DSCA/COMPT/FM/PENTAGON
(Begin additional text - may use up to 230 characters with this optimum format, this text should include the precise loan installment(s) to which the remitted amount should be credited

USAID Wiring Instructions: Payment is due in U.S. Dollars via Electronic Funds

Federal Reserve Bank
33 Liberty Street
New York, New York 10045

Payment Instructions to the Federal Reserve Bank must read:

"BNF=/AC-72000001 OBI=(PAY US DOLLARS)

PRINCIPAL _____ INTEREST _____

RE: LOAN NUMBER(S)

